

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**



April 5, 2017

Jay McKnight, Board Chair  
Preston Taylor Ministries  
4014 Indiana Avenue  
Nashville, TN 37209

Dear Mr. McKnight:

Please find attached the monitoring report of the Preston Taylor Ministries relating to the contract it had with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2016.

The Office of Financial Accountability is charged with the responsibility of monitoring grant funds, including Community Enhancement Funds, from Metropolitan Nashville Government to any nonprofit organization. Staff from the Office of Financial Accountability conducted the review on December 14, 2016.

We appreciate the assistance provided by your agency during the course of the review. If you have any questions, please call me at 615-862-6712.

Sincerely,

*Kevin Brown*

Kevin Brown, CMFO, CICA, CFE  
Finance Administrator

cc: Chan Sheppard, Executive Director  
Talia Lomax-O'dneal, Director of Finance  
Gene Nolan, Deputy Director of Finance

Kim McDoniel, Deputy Director of Finance  
Phil Carr, Chief of Accounts  
Mark Swann, Internal Audit  
Fred Adom, CPA, CGMA, CICA, Director, Office of Financial Accountability  
Essie Robertson, CPA, CMFO, CICA, Office of Financial Accountability  
Matthew Fouad, Office of Financial Accountability



**Metropolitan Government of Nashville and Davidson County**

# **Preston Taylor Ministries**

**◆ Monitoring Report ◆**

Conducted by



**Office of Financial Accountability**

April 5, 2017

# MONITORING REPORT

---

## TABLE OF CONTENTS

INTRODUCTION .....	5
OBJECTIVES, SCOPE AND METHODOLOGY .....	6
RESULTS OF REVIEW .....	7
FINDINGS AND RECOMMENDATIONS .....	10

## INTRODUCTION

---

The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of Preston Taylor Ministries. A monitoring review is substantially less in scope than an audit. The OFA did not audit the financial statements and, accordingly, does not express an opinion or any assurances regarding the financial statements of the Preston Taylor Ministries or any of its component units. The OFA is responsible for the internal monitoring of Metropolitan Government of Nashville and Davidson County (hereinafter referred to as “Metro”) agencies that receive federal and state financial assistance, including cooperative agreements and non-profit organizations that receive appropriations and Community Enhancement Funds from Metro government. In summary, any agreement(s) that imposes performance and/or financial requirements on Metro government is subject to review by the OFA.

The purpose of this review was to assess the agency’s compliance with contractual requirements set forth in the following contract with Metro Government:

<b>Contract</b>	<b>Type</b>	<b>Amount</b>	<b>Contact Term</b>	
L-3422	Community Enhancement Funds	\$21,300	July 1, 2015	June 30, 2016

### **Agency Background**

Preston Taylor Ministries is a nonprofit organization and exist to serve schools and communities in Middle Tennessee by providing prevention, intervention, and treatment services that addresses bullying, substance abuse, violence, and social and emotional barriers to success. The Community Enhancement Funds provided funding to assist Preston Taylor Ministries in providing a program focused on literacy.

## OBJECTIVES, SCOPE AND METHODOLOGY

---

The objectives of our review were:

- 1) To determine whether the agency had the resources and capacity to administer the grant funds.
- 2) To determine if costs and services were allowable and eligible.
- 3) To verify that program objectives were met.
- 4) To test the reliability of the financial and programmatic reporting.
- 5) To verify contractual compliance.

The scope of our review was limited to the contract term July 1, 2015 through June 30, 2016.

The monitoring review procedures included meeting with agency management and staff, reviewing board minutes and obtaining written representations from management. In addition, we examined certain financial records and supporting documentation necessary to ensure compliance with contractual requirements set forth in contract L-3422. Specific procedures included:

- Interviewing the employees responsible for grant management, financial reporting and accountability.
- Reviewing supporting documentation of expenditures for allowability, necessity and reasonableness.
- Reviewing the agency's general ledger and verifying the accuracy of all invoices submitted to Metro.
- Reviewing documentation to determine that funds were used for intended beneficiaries and expended in accordance with the spending plan of the contract.
- Reviewing documentation to support program activities for consistency with grant requirements.
- Assessing the financial stability of the agency and its ability to continue to administer the grant program funded by Metro.

## RESULTS OF REVIEW

---

### SUMMARY OF RESULTS

Criteria	Yes	No
Sufficient Resources and Capacity to Administer Funds?	✓	
Costs and Services Allowable and Eligible?	✓	
Program Objectives Met?		✓
Reporting Requirements Met?		✓
Compliance with Civil Rights Requirements?	✓	

## RESULTS OF REVIEW

---

The overall results of the monitoring review are provided in this section. Results are based on testwork performed and include conclusions regarding specific review objectives and, if applicable, recommendations for improvement and an action plan for implementation. Where applicable, the Findings and Recommendations section of this report provides more insight into any issues identified below.

### **1. Sufficient Resources and Capacity to Administer Grant Funds**

Our review of the agency's accounting system and the qualifications of the individuals assigned to manage the accounting records indicate that the agency possesses the necessary resources and professional expertise to effectively administer the grant funds.

### **2. Allowable and Eligible Costs and Services**

Our review covered all of the core compliance areas identified by 2 CFR Part 200: *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Additionally, the Metro Grants Manual requires separate accounting of the Metropolitan Nashville Government grant funds to prevent co-mingling of Metro Funds with other sources of funding. The agency is in compliance with this requirement. Different revenue classes as well as expenditure classes have been established to separately track the sources and amounts of funding. Also, the agency can easily and accurately report their expenses supported by the Metro Appropriation.

Based on our test work, costs and services during the period were allowable and eligible.

### **3. Program and Performance Objectives**

The contract stipulates that the agency shall use the funds to provide the following outcomes:

- Provide afterschool program to a minimum of 20 unduplicated students (K-4th grade) who live in the Preston Taylor neighborhood.

## RESULTS OF REVIEW

---

- At least 75% of the enrolled students will increase their reading proficiency, as measured by curriculum-based measure administered every nine (9) weeks.
- Number of the enrolled students reading at grade level will increase by 10% over a one-year period, as measured by curriculum-based measure administered every nine (9) weeks.
- Each student enrolled will attend at least 80% of the time.

Based on our review of program documentation and discussions with staff, program performance objectives were not met and the agency was not in compliance with contractual program objectives. See finding #1 in the Findings and Recommendations section for details

### **4. Reliability of Financial and Programmatic Reporting**

The contract requires submission of an annual audit report performed by a Certified Public Accountant. The contract also requires the agency to submit to Metro year end reports of the program outcome and a final expenditures report, no more than 45 days after the close of the contract.

We reviewed all applicable financial and programmatic reports required by the contract, including audited financial statements. Based on our review, the agency did not comply with all financial and programmatic reporting requirements. See finding #2 in the Finding and Recommendation section for more details.

### **5. Civil Rights Requirements**

Our review did not reveal anything to indicate that the agency was noncompliant with civil rights requirements. The agency also has necessary written policies and procedures relating to civil rights. The agency has not received any complaints regarding any form of discrimination. Further, civil rights and ADA postings are publicly displayed.

### **1. Program Performance Objectives Not Met**

#### **Finding**

The Preston Taylor Ministries failed to meet any of the four program objectives as stated in the grant contract. The four program objectives were:

- 1) Provide afterschool program to a minimum of 20 unduplicated students (K-4th grade) who live in the Preston Taylor neighborhood.
- 2) At least 75% of the enrolled students will increase their reading proficiency, as measured by curriculum-based measure administered every nine (9) weeks.
- 3) Number of the enrolled students reading at grade level will increase by 10% over a one-year period, as measured by curriculum-based measure administered every nine (9) weeks.
- 4) Each student enrolled will attend at least 80% of the time.

Based upon program documentation provided, the OFA noted that Preston Taylor Ministries only served 15 unduplicated students, not the required 20 students.

The Preston Taylor Ministries failed to provide sufficient program documentation to support program objectives two (2) and three (3). Based upon the contract language, the Preston Taylor Ministries was required to administer curriculum based measures every nine (9) weeks, in order to calculate and support that at least seventy-five percent (75%) of the enrolled students increased they reading proficiency and that every student reading at grade level increased by ten percent (10%) over a one year period. The agency only provided documentation to support the curriculum based measure being administered for one (1) nine week period and not every nine weeks. Therefore as a result of insufficient program documentation, the OFA was unable to determine whether or not the Preston Taylor Ministries met program objectives 2 and 3 as stated in the contract.

It was further noted, that the Preston Taylor Ministries failed to maintain daily attendance records to support program objective four (4).

## FINDINGS AND RECOMMENDATIONS

---

### **Recommendation**

The Preston Taylor Ministries should take the necessary steps to ensure that program objectives are met and adequately documented. The agency should further ensure that test required by the program objectives are administered and the outcomes are documented.

### **2. Failed to Accurately Report Program Outcomes:**

#### **Finding**

The Preston Taylor Ministries failed to accurately report its program outcomes. The Preston Taylor Ministries' final program report dated July 1, 2016 reported that "55% of the students increased their reading fluency and that the number of students reading at grade level increased by 12% from the beginning of the year." In addition, the agency further reported "all 15 students have attended at least 80% of the time."

However, as stated in finding #1, based upon the lack of program documentation, the OFA was unable to verify the agency's reported outcomes submitted to the Metro Division of Grants Coordination.

#### **Recommendation**

Information pertaining to program objectives in the Final Program Report should be based on actual results and supported by written documentation. Management should review the achievement of those objectives before they are reported to Metro Division of Grants Coordination, in order to ensure their accuracy. In addition, established performance objectives should be objective and reasonable. Effort should be made to strictly stick to the terms of the contract.

#### **Corrective Action Plan Required**

Please submit a corrective action plan indicating the actions the agency intends to take to correct the findings identified in this report. The corrective action plan should be submitted within 14 days from the report date to the address below:

## FINDINGS AND RECOMMENDATIONS

---

Division of Grants Coordination  
PO Box 196300  
Nashville, TN 37219  
ATTN: Vaughn Wilson